4952 Warner Avenue, Suite 223 Huntington Beach, CA 92649-5505 714.840.0751 phone 714.840.6751 fax

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Pauley Lease Sump, S & C Oil Co. Inc. Site Address: 2501 W. Gundry Ave. Signal Hill, CA 90755

February 11, 2016

This is a historic sump into which oil well produced water was placed after separation from crude oil. S & C Oil Co. Inc. purchased the wells and transferred the oil lease July 15, 1988. The previous company had been using the sump for an unknown period of time, and the throughput was reported in 1988 to the Division of Oil and Gas at 275,783 bbls of produced water from the wells operating on the lease. To our knowledge the sump was not used in any other manor. Upon purchase plans were immediately made to utilize a tank instead of the sump; a tank was purchased and plumbed in. December 29, 1988 the sump was pumped dry of fluid. February 6th and 7th 1989 work was done with a backhoe and the sump was included into the existing tank setting at the same grade as the sump bottom. The tank farm, and thus the sump were kept free of fluid from that point forward. No records were found as to what materials were removed at that time.

In May of 2007 construction of a new tank farm began on the lease. At that time through November 2007 a total of 134 tons of soil was removed from the sump and tank farm area. The soil was classified as Non Hazardous, Petroleum Hydrocarbon Impacted, (Manifests and testing included) as performed by Centrum Analytical Laboratories. The impacted soil was hauled to Thermal Remediation Solutions for reclamation. Clean imported soil was placed in the depression left by the removed sump and tank farm at that time. A records search of the area was conducted by our environmental consultant and no water or monitoring wells are located within a one half mile radius of the site.

Sincerely,

Douglas C. Williams

S & C Oil Co. Inc.